



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 24, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF MENTAL HEALTH: HEARING ON PUBLISHED CHARGES FOR  
FISCAL YEAR 2008-09  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Establish Published Charges for Fiscal Year 2008-09 to comply with Federal Short-Doyle/Medi-Cal Lower of Cost or Charges reimbursement and routine cost requirements.

**IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:**

1. Approve Department of Mental Health's (DMH) proposed Published Charges (Attachment) for Fiscal Year (FY) 2008-09, effective July 1, 2008 to comply with Federal Short-Doyle/Medi-Cal (SD/MC) Lower of Cost or Charges (LCC) reimbursement and routine cost requirements.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Board action is required to ensure that Published Charges are established in compliance with Medi-Cal requirements. The recovery of federal revenues in compliance with State and federal regulations necessitates that Published Charges be established at least annually. Federal requirements stipulate that Published Charges are to be determined at the County level. The recommended Published Charges comply with SD/MC audit requirements.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### **Implementation of Strategic Plan Goals**

The recommended Board action is consistent with the principles of the Countywide Strategic Plan's Organizational Goal No. 4, Fiscal Responsibility. This Action will ensure that Published Charges are in compliance with Medi-Cal requirements, thereby averting federal LCC audit disallowances.

### **FISCAL IMPACT/FINANCING**

There is no fiscal impact.

Federal LCC audit disallowances will be avoided because of compliance with Medi-Cal regulations. DMH has not included any charges, which are set by either State or federal agencies, for which it has no jurisdictional rate setting authority. DMH will bill those charges as directed by those authorities.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Published Charges for FY 2008-09 were developed based on actual cost report data. The cost report data was adjusted by the Federal Home Health Agency Market Basket Index.

In FY 2003-04, your Board approved revised Published Charges which permitted DMH to reflect two sets of rates, a rate for Medi-Cal and a rate for non-Medi-Cal responsible financial parties. The non-Medi-Cal rates include administrative overhead costs for all services that are billed to non-Medi-Cal responsible financial parties. The methodology to calculate the Published Charges to bill Medi-Cal plans remains the same as originally approved by your Board. The rates for Medi-Cal plans do not include administrative overhead costs. Medi-Cal administrative costs are reimbursed through a separate and specific mandated State reimbursement method.

The public hearing notice requirements of Government Code Section 6062 (a) have been satisfied and public hearing requirements of Government Code Section 66018 will be satisfied by this action.

### **IMPACT ON CURRENT SERVICES**

The recommended revised Published Charges for FY 2008-09 will become effective July 1, 2008. Failure to establish new annual Published Charges could result in reduced revenues from non-Medi-Cal, Medi-Cal, and Healthy Families plans due to the use of charges that do not sufficiently reflect actual costs.

Honorable Board of Supervisors  
June 24, 2008  
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**CONCLUSION**

The Department of Mental Health will need one copy of the adopted Board action. It is requested that the Executive Officer, Board of Supervisors, notify the Department of Mental Health Contracts Development and Administration Division, at (213) 738-4684 when this document is available.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
MLM:DS:yb

Attachment

c: County Counsel  
Auditor-Controller  
Department of Mental Health  
Chairperson, Mental Health Commission

062408\_DMH\_Published Rates

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH  
FISCAL YEAR 2008-09 PUBLISHED CHARGES  
EFFECTIVE JULY 01, 2008

SERVICE DESCRIPTION	MODE	SERVICE FUNCTION CODE	SERVICE UNIT	NON-MEDI-CAL FY 2008-09 RATES	MEDI-CAL FY 2008-09 RATES
Jail Inpatient	5	50-59	Client Day	\$373.24	N/A
Day Treatment Intensive:					
Half Day (3-4 hours)	10	81-84	Half Day	202.02	\$180.16
Full Day (more than 4 hours)	10	85-89	Full Day	273.82	244.19
Day Rehabilitation:					
Half Day (3-4 hours)	10	91-94	Half Day	104.33	93.04
Full Day (more than 4 hours)	10	95-99	Full Day	162.86	145.24
Targeted Case Management	15	01-09	Minute	2.59	2.31
Mental Health Services	15	10-59	Minute	3.33	2.97
Medication Support Services	15	60-69	Minute	6.51	5.81
Crisis Intervention	15	70-79	Minute	5.25	4.68
Mental Health Promotion	45	10-19	Staff Hour	270.66	N/A
Community Client Services	45	20-29	Staff Hour	249.80	N/A
Conservatorship:					
Investigation	60	20-29	Staff Hour	171.68	N/A
Administration	60	30-39	Staff Hour	171.68	N/A
Life Support /Board & Care	60	40-49	Day	40.71	N/A
Case Management Support	60	60-69	Staff Hour	135.17	N/A